



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

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STATE PUBLIC WORKS BOARD

October 21, 2015

MINUTES

PRESENT:

Ms. Eraina Ortega, Chief Deputy Director, Department of Finance
Mr. Kome Ajise, Chief Deputy Director, Department of Transportation
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Ms. Julie Giordano, Assistant Director of Public Finance, State Treasurer
Mr. Tom Yowell, Chief Administrative Office, State Controller

CALL TO ORDER AND ROLL CALL:

Ms. Eraina Ortega, Chairperson of the Board called the meeting to order at 2:00 p.m.
Ms. Karessa Vitullo, Executive Secretary for the Board, called the roll. A quorum was established.

BOND ITEMS:

The first order of business was to consider three Bond items. Ms. Lukenbill presented the Bond Items.

Bond Item 1: If approved would adopt a resolution to authorize the sale of Public Works Board Lease Revenue Bonds – Department of Corrections and Rehabilitation, 2015 Series H bonds, California State Prison, Corcoran: Various Buildings.

Staff recommended adoption of the resolution.

There were no comments or questions from the Board or the public.

A motion was made by Mr. Yowell and seconded by Mr. Ajise to adopt the resolution. The resolution was approved by a 5-0 vote (Ms. Ortega, Mr. Ajise, Mr. Yowell, Ms. Giordano, and Mr. Almanza all voting aye).

Bond Item 2: If approved, the requested action would adopt a resolution (1) determining that a Cost Reduction has occurred with respect to the Bonds; (2) approving and authorizing actions related to adjustment the Base Rental payments under the Facility Lease for the CIW Project, (3) approving the execution of a Site Lease and a Facility Lease and certificates for the addition of the CCWF Project pursuant to section 212.07 of the Supplemental Indenture, and (4) other related actions.

Staff recommended adoption of the resolution.

Ms. Ortega asked if the motion would include all 3 parts. Staff determined it would.

A motion was made by Mr. Ajise and seconded by Mr. Yowell to adopt the resolution. The resolution was approved by a 5-0 vote (Ms. Ortega, Mr. Ajise, Mr. Yowell, Ms. Giordano, and Mr. Almanza all voting aye).

Bond Item 3: If approved, the requested action would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions.

Staff recommended adoption of the resolution.

There were no comments or questions from the Board or public.

A motion was made by Mr. Yowell and seconded by Mr. Almanza to adopt the resolution. The resolution was approved by a 5-0 vote (Ms. Ortega, Mr. Ajise, Mr. Yowell, Ms. Giordano, and Mr. Almanza all voting aye).

MINUTES:

The next order of business was approval and adoption of the minutes from the August 17, September 1, and September 17, 2015 meetings. Ms. Lukenbill reported that staff had reviewed the minutes and recommended approval and adoption of the minutes.

A motion was made by Mr. Almanza and seconded by Mr. Ajise to approve and adopt the minutes from the meetings. The minutes were approved by a 3-0 vote (Ms. Ortega, Mr. Ajise, and Mr. Almanza voting aye).

CONSENT ITEMS:

Ms. Lukenbill informed the Board the Consent Calendar consists of Items 1 through 4.

In summary, the Consent Calendar included the following items:

- 1 request to consider authorizing the acquisition of real property through the acceptance of a no-cost acquisition for the Department of Parks and Recreation. (Consent Item 1)
- 3 requests to approve revised project costs for 3 Health Care Facility Improvement Projects for the Department of Corrections and Rehabilitation. (Consent Items 2, 3, 4)

Staff recommended approval of the Consent Calendar consisting of Consent Items 1 through 4.

There were no comments or questions from the Board or the public.

A motion was made by Mr. Ajise and seconded by Mr. Almanza to approve Consent Items 1 through 4. The Consent Items were approved by a 3-0 vote (Ms. Ortega, Mr. Ajise, and Mr. Almanza voting aye).

ACTION:

Ms. Lukenbill presented the Action Items to the Board.

Action Item 1: If approved, the requested action would rescind two resolutions and approve and adopt two new resolutions of the State Public Works Board for the High Speed Rail Authority.

Staff recommended (1) the two resolutions adopted on November 6, 2012, and April 15, 2013, respectively, be rescinded, and (2) approval and adoption of two new resolutions of the State Public Works Board for the High Speed Rail Authority.

There was a question from the Mr. Ajise regarding whether this was a necessary clean-up item. Staff confirmed that it is.

A motion was made by Mr. Ajise and seconded by Mr. Almanza to adopt the staff recommendations. Action Item 1 was approved by a 3-0 vote (Ms. Ortega, Mr. Ajise, and Mr. Almanza voting aye).

Action Item 2: If approved, the requested action would authorize site selection of eight assessor's parcels in full or in part.

Staff recommended authorizing site selection of these parcels.

There were no comments or questions from the Board or the public.

A motion was made by Mr. Almanza and seconded by Mr. Ajise to adopt the staff recommendations. Action Item 2 was approved by a 3-0 vote (Ms. Ortega, Mr. Ajise, and Mr. Almanza voting aye).

Action Item 3: If approved, the requested action would adopt 12 Resolutions of Necessity authorizing the use of eminent domain to acquire properties totaling approximately 114 acres in Madera, Fresno, Kings, and Tulare Counties. Specifically, the requested action would adopt Resolutions of Necessity for items 1-5, 7, 10-13, and 15-16. Harj Chima, acting as Counsel to the Board on eminent domain addressed the issues raised in the letters objections and presented the Resolutions of Necessity.

The Board was addressed by Mr. Mark Wasser on behalf of the Tos property, and Mr. Dylan Crosby on behalf of the Parichan property. Mr. Wasser distributed a letter to the Board and Staff with his reasons for addressing the Board. Mr. Wasser argued that the proposed resolution of necessity does not satisfy any of the conditions required for eminent domain acquisitions. He also mentioned that the Tos family will sustain goodwill damages that were not considered in the offer and that, because of this, High Speed Rail Authority (HSRA) did not make a good faith offer. The Board addressed Mr. Wasser, informing him that the Board's concern is whether the property is necessary for the project, not the amount of compensation. Mr. Wasser told the Board that his position is that the Board cannot determine it necessary when the HSRA did not make a good faith offer. Harj Chima addressed Mr. Wasser on behalf of the Board, asking if the property owner filled out the form that would claim goodwill damages. Mr. Wasser rebutted that they had not yet reached that point. HSRA established that they determined fair market value of the property, and that goodwill damages are covered separately. The Board determined that the form for goodwill damages should be given to the property owners and HSRA informed the Board that goodwill damages are considered as part of the ongoing negotiations.

Mr. Crosby requested that the Board refrain from making any decisions on the Parichan properties until there is a final ruling in the current Tos, et al. v. California High Speed Rail Authority case. Mr. Crosby brought other concerns to the Board regarding accessibility. HSRA informed the Board that they are still in negotiations with the property owner and have been working diligently to reach a settlement. HSRA confirmed that any loss would be compensated, including if the design build changes. The Board asked a question regarding alternative locations, and HSRA confirmed that this property is consistent with their environmental analysis of the area. The Board asked if HSRA is paying for the undercrossing to provide access and HSRA confirmed. Mr. Crosby argued that it is only accessible for 3 seasons and that Parichan will need access for all 4 seasons. The Board asked if these were still in negotiation and HSRA confirmed.

Mr. Wasser addressed the Board and asked for the maps regarding the properties. The Board agreed that the maps could be made available for Mr. Wasser.

Staff recommended that the Board adopt 12 Resolutions of Necessity authorizing the use of eminent domain to acquire properties in Madera, Fresno, Kings, and Tulare Counties. Specifically, the requested action would adopt Resolutions of Necessity for items 1-5, 7, 10-13, and 15-16.

The Board stated that the objections heard were outside of the Public Works Board and that with the information they had been given, a motion could be made.

A motion was made by Mr. Ajise, with the understanding that negotiations are ongoing, and was seconded by Mr. Almanza to adopt the staff recommendations. Action Item 2 was approved by a 3-0 vote (Ms. Ortega, Mr. Ajise, and Mr. Almanza voting aye).

OTHER BUSINESS:

Staff presented a draft calendar for 2016, informing the Board that they will be notified of changes as they arise.

REPORTABLES:

Staff presented 4 reportables for October, all concerning the California Department of Corrections and Rehabilitation.

NEXT MEETING:

Ms. Ortega stated the next Board meeting is scheduled for Wednesday, November 18 at 2:00 p.m. in the Room 113 at the State Capitol.

Ms. Ortega asked if there were any comments or questions from the Board or the public. There were none.

The meeting was adjourned at 2:44 p.m.